

**THE H-1B
TECHNICAL
SKILL TRAINING
GRANT
PROGRAM**

THE H-1B TECHNICAL SKILL TRAINING GRANT PROGRAM

The American Competitiveness and Workforce Improvement Act of 1998 (ACWIA) was enacted October 21, 1998. It authorized the use of over half of the employer H-1B application fees that went into effect December 1, 1998 to finance a H-1B Technical Skill Training Grant Program. As described earlier, the H-1B Skill Training Grant Program is designed to help American workers acquire the requisite skills in high demand occupations, such as information technology and health. These grants provide funds to consortia of business, labor, community-based organizations and local Workforce Investment Boards. However, only Workforce Investment Boards are eligible applicants.

How are the funds for the H-1B Skill Training Grant Program generated?

H-1B user fees of \$500 for each new application and \$500 for each full time renewal are charged to applicants and these fees are deposited on a quarterly basis and credited to the H-1B training account.

- The first deposit in Treasury by the Immigration and Naturalization Service was January 1999 for funds received in December 1998.
- Treasury's first distribution to DOL occurred in late January 1999, totaling \$1.8 million.
- A second distribution in mid-April 1999 added \$12.1 million to the H-1B training account.
- A third distribution on July 19, 1999 added \$14.4 million for a total of \$28.3 million.

By July 1999, sufficient funds had accumulated in the H-1B training account so that OMB could approve and DOL could announce the first of round of competition for the H-1B Technical Skill Training Grant Program.

What are the authorizing sections of the Act?

❑ Section 286(s): H-1B Nonimmigrant Petitioner Account

- (1) In General: There is established in the general fund of the Treasury a separate account, which shall be known as the 'H-1B Nonimmigrant Petitioner Account.' Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).
- (2) Use of Fees for Job Training: 56.3 percent of amounts deposited into the H-1B Nonimmigrant Petitioner Account shall remain available to the Secretary of Labor until expended for demonstration programs and projects described in section 104(c) of the American Competitiveness and Workforce Improvement Act of 1998.

❑ Section 104(c) Demonstration Programs and Projects to Provide Technical Skills Training for Workers

- (1) In General: In establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of the enactment of this Act, or demonstration programs or projects under section 171(b) of the Workforce Investment Act of 1998, the Secretary of Labor shall use funds available under section 286(s) to establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.
- (2) Grants: The Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to:
 - (A)(i) Private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C.1512), as in effect on the date of the enactment of this Act; or
 - (A)(ii) Local boards that will carry out such programs or projects through one-stop delivery systems established under section 121 of the Workforce Investment Act of 1998; or

(B) Regional consortia or councils of local boards described in subparagraph (A).

What kinds of services can be provided through these grants?

The H-1B funds are intended to provide *training*. As such, most other supporting services need to be provided from matching funds. (See the SGA for more detailed description of allowable activities).

What kinds of occupations qualify for training?

The Immigration and Nationality Act (INA) defines the H-1B alien as “one who is coming temporarily to the United States to perform services in a *specialty occupation* or as a fashion model.” Specialty occupations are defined by the INA as occupations that require:

- Theoretical and practical application of a body of high specialized knowledge, and
- Attainment of a bachelor’s or high degree in the specific specialty (or its equivalent) as a minimum for entry into the occupation in the United States.

In its H-1B solicitations, USDOL has said: “Current skills shortages are the immediate focus of this initiative. Raising investments should be targeted in occupational areas that have been identified on the basis of H-1B occupations as skill shortage areas.” *It is critical to emphasize, however, that while information technology occupations are important targets of the H-1B Technical Skill Training Grants program, there are other important occupations experiencing these kinds of skills shortages.* The complete list of H-1B occupations is contained in an appendix to this section of the Briefing Book.

When were the first grant competitions held?

On August 16, 1999, the Department of Labor announced the first round solicitation for H-1B technical skill training, indicating that about \$25 million would be available for grants. This first round competition closed on November 1, 1999. On February 10, 2000 the Department of Labor announced 9 first-round grant awards totaling \$12.4 million.

Building on the foundation of the first round of grant awards and incorporating lessons learned and streamlined processes, future rounds of grants are moving more rapidly. The Department of Labor announced March 29, the availability of an estimated \$40 million for a second round solicitation. This second round competition closed on June 5, 2000, and on July 19, the Department of Labor announced 12 second-round grant awards totaling \$29.2 million. Additional rounds of competition for H-1B Technical Skill Training Grants will continue to be conducted as long as funds continue to become available to DOL through the H-1B fees.

What kinds of projects were funded in the first rounds of competition?

DOL has funded a number of innovative projects as a result of the first and second round H-1B Technical Skills Grant competition under ACWIA. They include*:

- **The Workplace, Inc.** (Bridgeport CT) - This project proposes a system of employer certified skills centers in southwestern Connecticut to train people in identified occupations that are high skill and in short supply. Workplace, Inc. views the current “Emerging Technologies Model” of jobs as very different from the

* The complete list of H-1B Technical Skills Grants grantees is included in this Briefing Book>

traditional “Business Model.” In the traditional pyramidal model, entry-level low-skill jobs at the bottom rung predominated. In the newer model, there are far more high skill jobs with relatively few lower skilled workers to upgrade into the higher levels of employment. The objective is to measurably reduce the need for H-1B visas in the southwest Connecticut area.

The project proposes to use skill standards established under the aegis of the National Skill Standards Board (NSSB) and will formally certify individuals meeting those standards. A number of area businesses, community organizations and educational institutions are involved; in particular, Pitney Bowes will provide classrooms, instructors, materials and equipment.

- **NOVA (CA) Private Industry Council** (Sunnyvale CA) - The consortium of business, training, and service organizations includes NOVA, two community colleges, Opportunities Industrialization Center West, University of California Santa Cruz Extension, Joint Venture: Silicon Valley Network, California Employment Development Department, Sun Microsystems, and Cisco Systems. The goal is to equip about 200 individuals with high-level technical skills to bridge the “digital divide.” A diverse population from some of the poorest neighborhoods in Silicon Valley, participants will receive one-on-one assistance from counselors/training coaches. A new program called STEP (Systems Administration Training and Employment Program) designed by a team including representatives from Sun

Microsystems, Cisco Systems, NOVA and local community colleges will enable individuals to become certified systems administrators in less than one year.

- **The Philadelphia Workforce Development Corp (PWDC)** - In partnership with 60 health care employers, 25 nursing schools, the One Stop Career Center system, and the largest union-based trainer in the country (District 1199C Training and Upgrading Fund of the National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO.), PWDC is launching a comprehensive training initiative designed to address the growing shortage of skilled nurses in the Philadelphia area. In addition to training, the project will offer the full range of supportive services – such as career counseling, testing, assessment, and job placement – provided by the Training and Upgrading Fund and other funding sources.

- **Greater Baltimore Technology Training Connection** - The Baltimore County Office of Employment and Training (BCOET) will coordinate a consortium of partners to help alleviate technology skills shortages in the region through the Greater Baltimore Technology Training Connection. About 300 individuals – half incumbent workers and half unemployed workers – will receive primarily employer-based training in skills required for eight IT career clusters. Targeted occupations for the technical skills training include: database development and administration, digital media, enterprise system analysis and integration, network design and administration, programming/software engineering, technical support, technical writing, and web

development and administration. Partners include the Greater Baltimore Technology Council and the Baltimore County Technology Council – both of whom represent technology businesses and other area organizations that hire technology professionals.

□ **Workforce Investment Board of Contra Costa County** (Concord CA)-

Kaiser Permanente and Health Care Workers Union Local 250 have formed a partnership that will provide 30 licensed vocational nurses with training to advance the nursing careers and become registered nurses. In addition, 280 entry-level, lower-skilled workers in health care jobs will be trained to move up the career ladder into health care jobs such as acute care nurse assistants, medical assistants, and unit assistants. Occupational training for these 280 incumbent workers will take place over a 20-month period at various Kaiser Permanente sites throughout Northern California. Training for the 30 licensed vocational nurses to advance them into registered nurse positions will be provided through a concentrated one-year degree program provided in conjunction with local community colleges.

Appendix
**SELECTED H-1B PROFESSIONAL, TECHNICAL AND
MANAGERIAL OCCUPATIONS AND FASHION
MODELS:
NUMBER OF OPENINGS CERTIFIED BY THE U.S.
DEPARTMENT OF LABOR, FISCAL YEAR 1999**
(October 1, 1998-May 31, 1999)

Occupational Code	Occupational Title	Number of Openings Certified
030	Occupations In Systems Analysis And Programming	360,745
076	Therapists	181,665
160	Accountants, Auditors, And Related Occupations	35,665
039	Other Computer-Related Occupations	28,529
003	Electrical/Electronic Engineering Occupations	16,859
070	Physicians And Surgeons	11,264
019	Other Occupations In Architecture, Engineering And	11,175
090	Occupations In College And University Education	9,028
199	Miscellaneous Professional, Technical, And Manager	8,964
189	Miscellaneous Managers And Officials	8,824
007	Mechanical Engineering	7,115

	Occupations	
050	Occupations In Economics	5,608
163	Sales And Distribution Management Occupations	5,368
033	Occupations In Computer Systems Technical Support	4,573
161	Budget And Management Systems Analysis Occupations	4,263
169	Other Occupations In Administrative Occupations	4,135
031	Occupations In Data Communications And Networks	4,121
041	Occupations In Biological Sciences	3,981
079	Other Occupations In Medicine And Health	3,764
012	Industrial Engineering Occupations	2,725
186	Finance, Insurance An Real Estate Managers And Off	2,624
020	Occupations In Mathematics	2,599
001	Architectural Occupations	2,490
141	Commercial Artists: Designers & Illustrators, Graphics	2,371
297	Fashion Models	2,367
092	Occupations In Preschool, Primary, Kindergarten Ed.	2,359
187	Service Industry Managers And Officials	2,347
022	Occupations In Chemistry	2,345

005	Engineering Occupations	2,186
032	Occupations In Computer System User Support	1,595
091	Occupations In Secondary School Education	1,579
110	Lawyers	1,353
029	Other Occupations In Mathematics And Physical Sciences	1,306
131	Interpreters and Translators	1,270
166	Personnel Administration Occupations	1,229
165	Public Relations Management Occupations	1,216
185	Wholesale And Retail Trade Managers And Officials	1,183
008	Inspectors And Investigators, Managerial & Public	974
142	Environmental, Product And Related Designers	955
119	Other Occupations In Law And Jurisprudence	882
099	Other Occupations In Education	841
023	Occupations In Physics	836
010	Mining And Petroleum Engineering Occupations	777
164	Advertising Management Occupations	773
132	Editors: Publication, Broadcast, And Script	748

078	Occupations In Medical And Dental Technology	699
183	Manufacturing Industry Managers And Officials	681
184	Transportation, Communication, And Utilities Management	659
049	Other Occupations In Life Sciences	612
162	Purchasing Management Occupations	604
040	Occupations In Agricultural Sciences	574
074	Pharmacists	508
159	Other Occupations In Entertainment And Recreation	506

Technical Note: The Immigration and Nationality Act (Act) assigns responsibility to the Department of Labor with respect to the temporary entry of foreign professionals to work in specialty occupations in the U.S. under H-1B nonimmigrant status. Before the Immigration and Naturalization Service will approve a petition for an H-1B nonimmigrant worker, the employer must have filed and had certified by the Department a Labor Condition Application. The employer must indicate on the application the number of H-1B nonimmigrant workers sought, the rate of pay offered to the nonimmigrants, and the location where the nonimmigrants will work, among other things.

The Act limits the number of foreign workers who may be assigned H-1B status in each fiscal year, however, there is no limit on the number of job openings that may be certified by the Department. Historically, the actual number of job openings certified by the Department each year far exceeds the number of available visas. This excess in the number of certified openings is due to a number of factors: extension of status filings that are not subject to the annual cap; openings certified for anticipated employment that does not transpire; or movement from one employer to another (again, not subject to cap).

The occupational codes in the left-hand column represent the three-digit occupational groups codes for professional, technical and managerial occupations from the Dictionary of Occupational Titles (DOT).